Inspection Report

Ground Water Quality Bureau

Start Date: 04/24/2007 01:15 PM **End Date:** 04/25/2007 10:00 AM

Facility Information

Facility Name: Chino Mine - Hurley Facility, DP-1340 Type of Operation: Mining

Contact: Alan Berg (Azurite Consulting), John Zamar (Phelps Dodge), Lynn Lande (Chino), Victor (Azurite

Consulting) Location: Bayard

Inspector(s): Kevin Myers, Phil Harrigan

Inspection Summary

Purpose: Closure Inspection

Activities

Samples Taken: No

Observations and Information Obtained

Inspection of Smelter area, Slag as fill, Soil Sampling and Stockpile Test plots.

0715-1315 Drive SF to Hurley

1315 At Hurley for meeting and inspection

1326 Mention to Tim Eastep about draft DP-1568 requirement for FA.

Safety Share – PPE dust, electrical hazards

SMELTER – slag as fill 11/07/06 NMED approval.

Chino requests additional areas for using slag as fill. AOI-2, converter aisle, additional hole in AOI-6 and AOI-7.

Telesto preparing draft for Smelter closure plan, draft ready in a few weeks

Requesting turn around for additional fill areas by 4-30-07.

Phase I soil sampling complete. Cu results only in prelim data. No sampling under concrete and asphalt of AOI-3 (slag underneath).

Current plan is to intercept smelter area runoff and put into tails process water.

Phase II soil sampling ongoing as areas are mined out.

AOI-1 in progress; AOI-2 Complete; RR area; AOI 3, AOI-4 and AOI-5 complete; asphalt except trestle

AOI-6 complete; AOI-7 more mining Cu soils.

Since inception of project Chino has re-drawn boundaries: AOI-3 and AOI-7 smaller; will modify AOI-1.

Sampling and Cu removal ongoing. Phase II should finish in 3-weeks to a month. Phases 3 and 4 to follow.

Ancillary Building Area – D-1 (3 samples); D-5 (limited open areas, add 2 north and one south location) because of concrete. Acid tanks (2 more samples).

Tailing issue associated with rail spur construction. Chino will request permission to remove approx. 4,000 cubic yards to Tailing Pond 1. Written request hand delivered. Map with location to follow.

Chino to request permission to place 6,000 cubic yards of Smelter Furnace Brick to South Stockpile. Written request hand delivered. Chino requests turn around by 4/30/07.

Borrow material areas letter and report for Smelter work. Hand delivered written materials.

SMELTER STACK DEMOLITION - Contractor is Controlled Demolition Incorporated (CDI). Air monitoring will be done by Azurite consulting and NMED AQB. Inspection of some homes before and after for cracks and will have seismic monitoring equipment. Working with community leaders and police. Most of the event will take about 15 minutes.

Last part of May proposed for demolition date (End of May). Asbestos pickup after stack on ground (33 feet of Kennecott stack could not be abated prior to demolition because of safety issues.) Confirm previous discussion about the soil sampling post stack demolition in AOI-6 with 3 samples (re-sampled and compared to Phase I samples). PR will include fliers and two town hall meetings (multiple times during the one day). Limited number of house with voluntary evacuation or advised to stay inside. Map with aerial photo shows location. Berm at landing area to contain top of stack and air drawn through the stacks during demolition.

1459 Windy. Go to N. Gate. Revert and brick piles at north end of slag. Processing these materials for either Miami smelter or South Stockpile for leach. Using grizzly.

1515 Stop by Slag removal source area. Trackhoe continues. Larger fragments of slag not used as fill.

At AOI 3 at Sample #5 north of smelter stack. Acid Plant on slag. Asphalt and concrete cover much of this area.

Discuss extent of mining/recovery of Cu. Walk to edge of converter aisle. AOI-1.

Visit ancillary buildings – Acid tank (plus 4 samples). Maintenance building north and south sides for additional samples.

Photos of tailings along railroad spur (bedding material) Tails may be beyond fence AOI-5. AOI-6 has copper hot spots (O2 plant).

AOI-7 ongoing recovery of copper hot spots.

1600 At north gate

1606 at Chino GO

1700 - 1743 GRIP meeting with Sally Smith in Silver City. Discuss Stack demolition (relayed discussion from meeting and inspection at Chino) and Lee Hill Variance Petition.

4-25-07

0730 At Concentrator Gate. Watch Haz recognition Video.

0753 Leave guard shack

0820 At 2.5 to 1 Stockpile Test Plots. Slope is 21 degrees based on Brunton compass measurement. Pre-grade no cover placed. Access tubes installed

0841 On 3 to 1 slopes pre-grade no cover placed. Slope is 17.5 to 18 degrees with Brunton compass measurement.

Note some copper salts at surface (pile is relatively fresh, less than 2 years old, unleached). Access tubes and lysimeter installed.

Top Surface plots with access tubes and lysimeters installed.

Control plot for top surface? Not level, big mounds of material need to be flattened. KNR stripped from north aspect 3 to 1 plot cuts acreage down to 0.8 or KNR would have to be moved again.

0927 visit KNR top surface test plot and control (built but had pH 3.3 in cover). Discuss possibility of using former control plot but note that data logger cable requires long distance or second data logger.

Note: Large Bench between 2.5 to 1 and 3 to 1 plots for haulage of cover material. Final configuration must prevent runoff from becoming runon for the 2.5 to 1 plots.

0940 Stop at Lake One Haul material temporary staging area. take photos of Lake One material on berm. Discussed that enforcement action still pending.

0953 Signout at Gate.

1000 to 1500 Return to SF